

June 9, 2010

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FOR IMMEDIATE RELEASE

(Washington, DC) – *Today, Rep. Luis V. Gutierrez (D-IL), Chairman of the House Financial Services Subcommittee on Financial Institutions and Consumer Credit, was named to the conference committee charged with negotiating the final House/Senate compromise Wall Street reform bill. A press conference scheduled for this morning by Rep. Gutierrez with members of Americans for Financial Reform, including the Leadership Conference on Civil Rights and Human Rights and the Center for Responsible Lending, but it was canceled at the last minute due to flight delays. Rep. Gutierrez had planned to offer a preview of the consumer protection and taxpayer protection priorities he intends to carry with him as the conference committee begins its work. In place of that press conference, the following is a statement by Rep. Luis V. Gutierrez.*

We are on the eve of the financial reform conference committee and the final opportunity to put the interests of the American people in front of those of the Wall Street banks and their armies of lobbyists that we will continue to see over the next few weeks.

I have been working alongside organizations like Americans for Financial Reform -who represent the interests of a broad spectrum of the American people- as we put together this bill. The coalition of organizations that make up Americans for Financial Reform have worked hard to put strong, effective consumer protections into this legislation and I welcome their continued support during the conference committee.

I would like to highlight three key issues that we believe are vital to protecting consumers and

taxpayers from the greedy and risky practices of Wall Street that they have suffered under for the past few decades.

The most vital issue when we're talking about protecting taxpayers and ending taxpayer-funded bailouts is creating a dissolution fund that is pre-funded by the very institutions it will be used to resolve in case of their failure. We cannot rely on a complicated funding scheme that opens up the possibility that taxpayers will pay for another bailout. You think there won't be a taxpayer cost with the Senate solution? Then why is there a pay-go problem with their dissolution fund?

The solution to preventing another round of taxpayer-funded bailouts is simple: put the House pre-funded dissolution fund in the bill and make the banks, not taxpayers, pay to clean up the messes the banks create.

Let me be very clear on one point: this is not a bailout fund, this is a dissolution fund. This is essentially the FDIC's Deposit Insurance Fund writ-large. If you think this process is a bailout fund, talk to any of the 81 banks that have failed this year alone across our country and ask them if they've been bailed out. The Republicans really missed the boat when they were talking about "death panels" during the healthcare debate. There were no death panels in that legislation, but there's one here: this is a death panel for "too big to fail" institutions.

In order to protect consumers from the greed of Wall Street, the conference committee needs to include a strong, effective and independent consumer protection agency in the legislation. After all the abuses our consumer have experienced from predatory mortgage loans, abusive credit card practices and payday loans, consumers need their own watchdog in the federal government. Financial institutions have their own independent agencies, free of political influence, and consumers deserve the same. To do less for hard-working Americans is nothing short of insulting. We also need to guarantee the consumer agency an independent source of funding to make sure they can put the necessary number of 'cops on the beat' to enforce the rules they will create.

To prevent consumers from being taken advantage of by different players in the industry offering essentially the same products, we need to make sure that the consumer protection agency has jurisdiction over types of financial products and not just focus on those who offer them. False distinctions like exempting auto dealers from oversight by the agency -but not banks or credit unions who offer the exact same auto loan- is only asking for abuses like we saw from ignoring mortgage brokers while heavily regulating mortgages originated by banks.

This concern is not limited to Americans for Financial Reform and other organizations. Banks and credit unions are also opposed to an auto dealer carve out, and President Obama has made it very clear that he is opposed to the auto dealer carve out.

Even the Pentagon believes this is a matter of military preparedness and national security and is strongly opposed to an auto dealer carve out.

Last but not least, we need to work together to enact a strong version of the Volcker Rule which would ban banks from using their customer's money or federally subsidized funds to trade for their own profit. Large Wall Street banks have for too long relied on making money off of market trading at the expense of their traditional form of profit generation: lending to Main Street and American families. We need to roll back the clock to where banks could use government subsidized funds to engage in productive lending for the good of society, not just to pad their books.

For too long, the big banks of Wall Street have run roughshod over our country and the American consumers. The conference committee which begins tomorrow will be the last chance for Congress to show the American people that we are the servants of the people, not Wall Street. I look forward to that opportunity.

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